



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 03/09/04
AGENDA ITEM 9
WORK SESSION ITEM _____

TO: Mayor and City Council
FROM: Director of Community and Economic Development
SUBJECT: Extension of Certain Time Limits of Redevelopment Plan by One Year

RECOMMENDATION:

It is recommended that the City Council introduce the attached Ordinance extending certain time limitations of the Redevelopment Plan by One Year.

BACKGROUND:

On February 24, 2004 the Redevelopment Agency Board reviewed a report regarding the feasibility of issuing tax allocation bonds in order to fund downtown parking improvements as well as school and park facilities in the Burbank/Cannery Area. As mentioned in that report, the City Council has the ability to extend certain time limits under the Redevelopment Plan by one year, including the term of the Agency's powers, its ability to undertake various activities such as property acquisition and construction of public improvements, and the time limit for receiving tax increment and repaying indebtedness. By extending these time limits it is estimated that the Agency could raise approximately \$812,000 in additional bond proceeds. The majority of this increase in bonding capacity would be attributable to the Downtown portion of the Project Area, which currently generates the most tax increment and is also the oldest portion of the Project Area. Staff estimates that the additional funds will be needed in order to fund the entire cost of the projects outlined above.

The ability to extend these time limits is due to state legislation that was adopted in 2003 in order to offset the negative fiscal effects that the mandatory State Educational Revenue Augmentation Fund (ERAF) payments are having on redevelopment agencies' ability to incur and repay debt. This year, the Hayward Redevelopment Agency is required to pay \$217,725 to the State ERAF, and current indications are that the Agency will be required to pay at least the same amount next year.


As previously noted, the proposed Ordinance extends two specific time limits of the Redevelopment Plan by one year. The time limits relating to the Plan's effectiveness would therefore be extended to December 2016 for the Original Downtown area, December 2021 for

the area added in 1987 (Expansion Area No. 1), November 2029 for the Burbank/Cannery area (Expansion Area No. 2) and June 2032 for the Mission/Foothill area (Expansion Area No. 3). See the attached map. The time limits to receive tax increment and repay debt would be extended to December 2026 for the Original area as well as the 1987 amendment area, November 2044 for the Burbank/Cannery area, and June 2047 for the Mission/Foothill area.

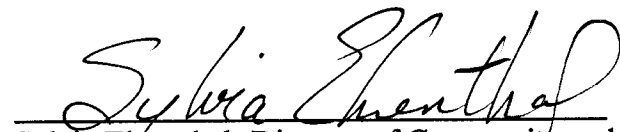
The proposed Ordinance does not change any other limitations of the Plan, including the time limits for issuing new debt, or the limits on the total amount of tax increment or bonded debt that can be collected or issued.

Staff recommends that the Ordinance be introduced.


Prepared by:


Maret Bartlett, Redevelopment Director

Recommended by:


Sylvia Ehrenthal, Director of Community and
Economic Development

Approved by:


Jesús Armas, City Manager

Attachments: Exhibit "A" - Redevelopment Project Area Map
Ordinance

**DUE TO THE LENGTH OR COLOR
OF THE REFERENCED EXHIBIT,
IT HAS BEEN ATTACHED AS A
SEPARATE LINK.**

DRAFT 

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF HAYWARD,
CALIFORNIA, AMENDING CERTAIN TIME LIMITATIONS
WITH RESPECT TO THE REDEVELOPMENT PLAN FOR
THE DOWNTOWN REDEVELOPMENT PROJECT

WHEREAS, the City Council of the City of Hayward, California (the "City Council"), adopted Ordinance No. 75-029 on December 30, 1975 approving and adopting the Redevelopment Plan (the "Redevelopment Plan") for the Downtown Hayward Redevelopment Project (the "Project"); and

WHEREAS, on December 6, 1986, the City Council adopted Ordinance No. 86-041, amending section VE pertaining to property acquisition and sections VIII A and B concerning the methods of financing; and

WHEREAS, on April 21, 1987, the City Council adopted Ordinance No. 87-009, adding Project Expansion Area No. 1 to the Redevelopment Project Area; and

WHEREAS, on July 28, 1992, the City Council adopted Ordinance No. 92-21, making certain technical changes to the Redevelopment Plan; and

WHEREAS, on December 20, 1994, the City Council adopted Ordinance No. 94-30, establishing certain limitations with respect to the Redevelopment Plan; and

WHEREAS, on November 10, 1998, the City Council adopted Ordinance No. 98-16, adding Project Expansion Area No. 2 to the Redevelopment Project Area; and

WHEREAS, on June 25, 2001, the City Council adopted Ordinance No. 01-07, adding Project Expansion Area No. 3 to the Redevelopment Project Area; and

WHEREAS, the Redevelopment Agency of the City of Hayward, California (the "Agency"), has been designated as the official redevelopment agency in the City of Hayward to carry out the functions and requirements of the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 et seq.) and to implement the Redevelopment Plan; and

WHEREAS, Section 33681.9 of the Health and Safety Code was added by SB 1045 which took effect on September 1, 2003, which requires the Agency during the 2003-04 fiscal year to make a payment for deposit in Alameda County's Educational Revenue Augmentation Fund; and

WHEREAS, Section 33333.6 of the Health and Safety Code was amended by SB 1045 to provide that when an agency is required to make a payment pursuant to Section 33681.9 the legislative body may amend the redevelopment plan to extend by one year the time limit of the effectiveness of the plan and the time limit to repay indebtedness.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HAYWARD,
CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. The time limit on the effectiveness of the Redevelopment Plan, as set forth in Section XI of the Redevelopment Plan, as amended, is hereby amended as follows:

Original Project Area	December 30, 2016
Project Expansion Area No. 1	December 30, 2021
Project Expansion Area No. 2	November 10, 2029
Project Expansion Area No. 3	June 25, 2032

Section 2. With respect to the Original Project Area and Project Expansion Area No. 1, the Agency shall not pay indebtedness or receive property taxes pursuant to Health and Safety Code Section 33670 after ten (10) years from the termination of the effectiveness of the Redevelopment Plan. Based upon the termination date established in Section 1 of this Ordinance, the Agency shall not pay indebtedness or receive property taxes pursuant to Section 33670 after:

Original Project Area	December 30, 2026
Project Expansion Area No. 1	December 30, 2026

With respect to Project Expansion Nos. 2 and 3, the Agency shall not repay indebtedness with the proceeds of taxes received pursuant to Health and Safety Code Section 33670 after forty-six (46) years from the adoption of the amendments to the Redevelopment Plan adding those Project Expansion Areas, respectively:

Project Expansion Area No. 2	November 10, 2044
Project Expansion Area No. 3	June 25, 2047

Section 3. Ordinance Nos. 75-029, 86-041, 87-009, 92-21, 94-30, 98-16 and 01-07 are continued in full force and effect except as amended by this Ordinance.

Section 4. The City Clerk is hereby directed to send a certified copy of this Ordinance to the Agency.

Section 5. If any part of this Ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portion of this Ordinance, and this City Council hereby declares that it would have passed the remainder of this Ordinance if such invalid portion thereof had been deleted.

Section 6. The City Clerk will certify to the passage of this Ordinance by the City Council of the City of Hayward, California, and cause the same to be published once in the _____, a newspaper of general circulation, published and circulated in the City of Hayward, and it will take effect thirty (30) days after its final passage.

INTRODUCED at a regular meeting of the City Council of the City of Hayward, held the ____ day of March, 2004, by Council Member_____.

ADOPTED at a regular meeting of the City Council of the City of Hayward held the ____ day of _____, 2004, by the following votes of members of said City Council.

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

APPROVED: _____
Mayor of the City of Hayward

DATE: _____

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward